Trademark dispute settled involving video arcade game

NEW YORK—**Philip Morris U.S.A.** and Sega Enterprises Inc. of San Jose, Calif., a maker of video arcade games, have settled a dispute concerning the use of **Marlboro** cigarette **[PM USA]** trademarks.

The settlement was reached more than a year after PM USA brought suit against Sega, and more than two years after it was discovered that the Marlboro trademark and a depiction of the Marlboro [illegible] were being used in the Sega racecar game Super Monaco GP.

"The settlement is important to Philip Morris because it eliminates our Marlboro brand logos from appearing in a video arcade game used by children," says John Nelson, senior vice president, corporate affairs, PM USA. "It is our policy to take aggressive action on such matters to protect our trademarks—especially when they are used on or in items for children. We don't want minors to smoke or buy cigarettes."

> 'It's our policy to take action to protect Philip Morris trademarks.'

As part of the settlement, Sega has agreed to place full-page color advertisements for three months in the video arcade trade magazines *Replay* and *Playmeter*. The ads contain a $200 per game incentive offer to arcade distributors, owners, and operators to remove the Marlboro logos.

Conversion kits containing decals, computer chips, and instructions on how to remove the logos are obtainable through the ads.

The logos in the Sega game were brought to the attention of PM by Barry Krivisky, assistant general counsel, trademarks, for **Philip Morris Management Corp.**, who initally became aware of them in an arcade in New York's Pennsylvania Station.

"When first contacted on the situation in 1989, Sega agreed to stop using the logos," says Krivisky. "However, since the logos continued to show up in 1990, PM filed suit, charging failure to comply with the agreement."

Over the years, Philip Morris has taken action against more than 1,200 manufacturers and individuals who have illegally used the company's cigarette brand trademarks.

Bill Kelly

PM attorney Barry Krivisky, who found abuses of the Marlboro trademark at a video arcade in New York rail station Penn Station.

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